

## Compensation of Corporate Officers

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The Board of Directors of February 12, 2019, decided the following in relation to the compensation of Corporate officers.

### 1. 2018 variable portion and 2019 compensation of Corporate officers

Upon recommendation of the Compensation Committee, the Board of Directors of February 12, 2019 reviewed the various items of compensation of the corporate officers and took the following decisions:

#### 2018 variable portion

- **Chief Executive Officer, Patrick Berard**

The 2018 variable target compensation of the Chief Executive Officer was set at 120% of the fixed annual compensation (€650,000) if 100% of the financial and individual targets were achieved.

The variable compensation for 2018 was based for 75% on financial criteria and for 25% on individual criteria. The financial criteria for 2018 were adjusted EBITA in volume (33.33%), ATWC (33.33%) and sales growth in volume (33.33%). The targets to be reached were those set in the 2018 budget.

Having assessed the performance of the Chief Executive Officer, the Board determined a global performance of 99,7%, i.e., an amount of €777,660 to be paid for 2018.

Achievements are detailed as follows:

2018 fixed compensation	2018 target variable portion in percentage of fixed compensation	2018 target variable portion in €	Financial part of the target variable portion	Individual part of the target variable portion	Financial part 2018 result	Individual part 2018 result	Achievement of 2018 financial part	Achievement of 2018 individual part	Global achievement in percentage of target variable portion	Amount in € to be paid in respect of 2018 variable portion
A	B	(AxB)=C	D	E	F	G	(DxF)=H	(ExG)=I	(H+I)=J	(CxJ)
650,000	120%	780,000	75%	25%	102.1%	92.5%	76,6%	23.1%	99,7%	777,660

Financial results	Weight	Achievements (after weighting)
Adjusted EBITA in volume	33.3%	32.7%
ATWC	33.3%	30.0%
Sales growth in volume	33.3%	39.4%
Financial part 2018 income		102.1%

In accordance with the article L.225-100 of the French commercial code, the payment of this 2018 variable portion will be subject to the approval of Rexel General Ordinary and Extraordinary Shareholders Meeting on May 23, 2019.

## 2019 Compensation (cash compensation and additional benefits)

In accordance with the compensation policy for corporate officers determined by the Board of Directors according to which the fixed and variable compensation of the Corporate Officers is set at the beginning of the corporate office and for the whole term thereof, the 2019 fixed compensation of the Chairman of the Board of Directors and the 2019 fixed and target variable compensation of the Chief Executive Officer have remained unchanged since 2016.

### • Chairman of the Board of Directors, Ian Meakins

There will be no change in the fixed compensation of the Chairman of the Board of Directors, which will remain at €500,000 per year. The Chairman of the Board of Directors does not benefit from any other compensation item.

Ian Meakins	2019	Evolution	2018
Fixed portion	500,000	0%	500,000
Variable portion	N/A		N/A

### ▪ Chief Executive Officer, Patrick Berard

- The annual fixed compensation of the Chief Executive Officer is maintained at €650,000 and his target annual variable compensation at 120% of his fixed compensation if 100% of the financial and individual targets are reached.
- The 2019 variable compensation is based for 75% on financial criteria and for 25% on individual criteria. The criteria targets may reach a maximum result of 150%. The individual portion of the variable compensation is capped at 100% of achievement (i.e., a maximum variable portion representing 165% of the fixed compensation).

The financial targets determined for 2019 have been adjusted to take into account strategy and Group financial ambitions as follows: adjusted EBITA in volume (40%), ATWC (20%) and sales growth in volume (40%) and the targets to be achieved are those of the 2019 budget. The payout at target for financial criteria will be 100%. The mechanism implemented in 2018 according to which overachievement on sales growth criteria is only paid if the adjusted EBITA criterion reaches at least a certain level is maintained for 2019.

Patrick Berard	2019	Evolution	2018
Fixed portion	650,000	0%	650,000
Variable portion:	780,000	0%	780,000
Total target	1,430,000	0%	1,430,000
Target variable portion/fixed portion	120%		120%

2019 fixed compensation in €	2019 target variable part in percentage of fixed compensation	2019 target variable portion in €	Financial part of the target variable portion	Individual part of the target variable portion	Maximum financial part	Maximum individual part	Maximum 2019 target variable portion in % of target and in €	Maximum 2019 target variable portion in % of fixed compensation and in €
650,000	120%	780,000	75%	25%	(75%×150%)=112.5%	(25%×100%)=25%	137.5%	165%
			585,000	195,000	877,500	195,000	1,072,500	1,072,500

- The other benefits are renewed (health and welfare insurance, basic and supplementary pension, health checkup, tax/retirement advice, company car).

In accordance with article L.225-37-2 of the French commercial code, the principles and criteria of determination, allocation and granting of the compensation components for the Chairman of the Board of Directors and for the Chief Executive Officer will be submitted to the Rexel General Ordinary and Extraordinary Shareholders Meeting on May 23, 2019.

## **2. Medium-term and long-term compensation / Severance indemnities**

### **▪ Chief Executive Officer, Patrick Berard**

#### Additional defined-benefit retirement plan

The Board of Directors of July 1, 2016 decided to maintain the benefit of the additional defined-benefit retirement plan that Patrick Berard benefited from prior to accepting his duties as Chief Executive Officer. This decision was reiterated by the Board of Directors on May 24, 2018, which renewed the mandate of Chief Executive Officer of Patrick Berard with effect from July 1, 2018. Pursuant to article L. 225-42-1 of the French commercial code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme will only be granted subject to the achievement of the annual performance conditions set (taking into account the activity period and the compensation in his capacity as Corporate Officer).

The performance criteria determined by the Board of Directors have been aligned with those of the annual variable portion of the Chief Executive Officer (financial portion and individual portion). The performance criteria shall be considered as satisfied if the payment level of the annual variable portion reaches at least 60% of the target variable portion.

The Board of Directors of February 12, 2019 acknowledged the achievement of the performance criteria for the 2018 financial year (the payment level of the variable portion for 2018 over the exercise period of the corporate office having reached 99,7%). The activity period and the compensation received in respect of the duties of corporate officer over the considered period shall be taken into consideration for the calculation of the contingent rights.

#### Severance indemnities

The Chief Executive Officer does not qualify for any severance indemnity in respect of his corporate office. The Board of Directors decided not to grant to Patrick Berard any severance indemnity resulting from the termination of his duties as Chief Executive Officer of the Company, nor any non-compete compensation indemnity in connection with the termination of such duties, taking into account his career and profile. This decision has not been modified by the Board of Directors on May 24, 2018, which renewed the mandate of Chief Executive Officer of Patrick Berard with effect from July 1, 2018.

It is reminded that the employment agreement of Patrick Berard, suspended during the exercise of his duties as Chief Executive Officer of the Company, provides under certain conditions for the payment of such indemnities, within the limits of a global amount of 18 months of monthly reference compensation. It is specified by the Board of Directors that in case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the exercise period of the corporate office (without considering his seniority, fixed or variable compensation received as a Corporate Officer).